

# The Mint Master

April 2010  
Volume 56, Issue 4

Newsletter of the Utah Numismatic Society

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## This Month's Program:

President Tom Jensen will be speaking.

### “Medals Voting”

## Highlights

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## Presidents Message

Hello Everyone,

I've been thinking lately about all the changes we're going through as a country. Change certainly isn't always bad, but sometimes it can be unsettling and froth with uncertainty...especially as change relates to financial conditions. The old boy scout motto comes to mind: Be Prepared. This is probably good advice for all of us.

In my own case, lately I've been trying to put away a little gold & silver for a rainy day. Most countries hold a portion of their reserves in gold. In fact, central banks

hold about 18 percent of all gold ever mined. Perhaps like central banks that hold a portion of their reserves in gold, individual investors should do the same and allocate a portion of their funds to precious metals. As of the end of February 2010, some one hundred countries held gold in their reserves. And, according to the World Gold Council (WGC), central banks added the most gold to their reserves since 1964 last year amid the longest rally in bullion prices in at least nine decades. Combined holdings rose 425.4 metric tons to 30,116.9 tons, an increase worth \$13.3 billion at last year's

average price, according to the WGC. Just maybe central banks know something we don't and are trying to be like good scouts by being prepared.

As we move into spring, it may be wise to do a little "spring cleaning" and fine tuning as related to our own individual financial preparation. I'm looking forward to our next meeting, April 13<sup>th</sup>. See you there!

Happy Spring cleaning,

Tom Jensen

## March Meeting Details.

**Meetings – Second Tuesday of each month ( April 13<sup>th</sup> )**

**Time - 7:00 P.M.**

**Location – Columbus Community Center; 2531 South 400 East, SLC**

**Greetings – Tom Jensen**

**Mini Exhibit – Dennis Ruffell**

**News & Views – Larry Kimura**

**Coin Quiz – Don Swain**

**Refreshments- UNS**

## UNS Schedule for 2010

April – Medals Voting  
Speaker – TBA

May – UNS Birthday  
Past President Speaker

June – YN Program

July – UNS Picnic

August – Speaker - TBA

Sept. – Auction

Oct.–Grading Seminar  
Speaker – TBA

Nov.–Bourse/Elections

Dec.–Christmas Dinner

## Interesting Coins of the Month

### *Certified ‘Proof-Like’ Quarters*



I was surprised when I recently became aware of the existence of NGC certified ‘Proof-like’ Washington quarters. These coins are quite spectacular when compared to the average uncirculated quarter. It would appear that extra attention was applied to the dies used to strike these coins, and evidently these coins were some of the first coins to be struck by these dies. Only a few pre-1964 dates have been given this designation by NGC which are listed below. Numbers certified are quite small too, of all dates known only one has a population greater than 10 coins. All in all, these are special coins which are very rare and they definitely have not been given the exposure that I believe they deserve.

#### Proof-like Dates

1943-S	1 Certified
1946-S	2 Certified
1947-S	17 Certified

## UNS Program for April's Meeting

We will be voting on a club medal this month. If you have ideas of what you think it should be and want to try your hand at designing a coin bring a large drawing for the membership to vote on.

Additionally, our president, Tom Jensen, will be giving a talk. This is a surprise subject but should be a very interesting subject.

Make sure you don't miss our April meeting!!!

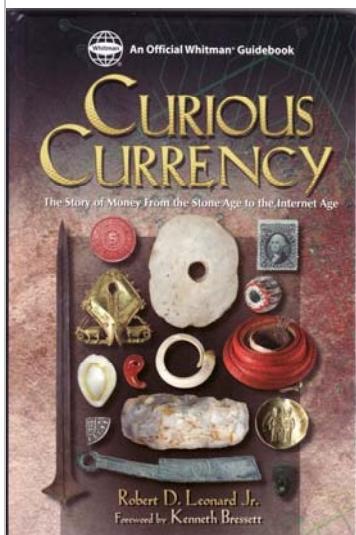
## Prizes & Buy of the Month

### This month's buy is:

- 2010 Shield Cent Rolls

### Answers to the Word Jumble

1. Trime 2. Disme 3. Sawbuck 4. Stella 5. Columbus 6. Lincoln 7. Lafayette 8. McKinley 9. Coronet 10. Carver 11. Shield 12. Proof



Suggested Retail price \$12.95

## Book Review

I picked up a copy of this new book at the Whitman booth during the Ft. Worth ANA show. It is a smaller format book, 9 1/2" x 6 1/4" and consisting of only 152 pages. It is however packed with more odd information regarding currency through the ages than I have ever seen in one book.

There are literally hundreds of forms of currency discussed. They range from Liquor & Drugs, Beads, Bullet Money, Spearheads, Stones, and Shells. Yes, even coins, currency, and tokens are included.

Even Hershey's chocolate bars and chewing gum have been used as currency.

This is a book for anyone interested in coins, currency and money of any form.

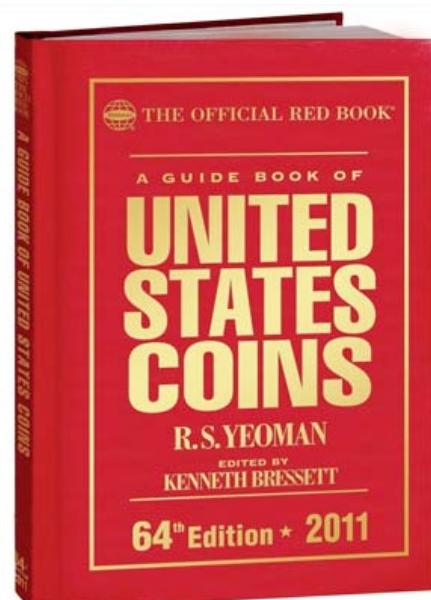
### Prizes of the Month –

#### Dos Pesos Gold coin

1980 Mint Set  
2008 Bald Eagle Half Proof  
1883-O BU Morgan  
1953 Proof Nickel  
1979 Mint Set  
1976 3-Piece Silver Set  
Chinese Counterfeit Coin  
1939 BU Quarter  
1930-S Standing Liberty Quarter  
1867 2 -Cent Piece  
1872 3 -Cent piece  
UNS Christmas Medal  
1956 Proof Quarter  
1881 Indian Cent  
1946 Roosevelt Dime BU

Peace Dollar – UNS Member Prize  
1971 Silver IKE - Junior Prize  
1884-O Morgan - Promptness Prize

The new 2011 'Red Book' will be released April 6<sup>th</sup>.





# Coin Quiz & Trivia



**Above is the first National Park Quarter to be released in 2010**

*Answers to last month's questions.*

1) 1943 Canadian Nickel 2) Type 1 Gold Dollar 3) Wren 4) Montgomery AL 5) 1911

Young Numismatist's Corner / Cathy Finnegan

# Word Jumble

- |   |           |
|---|-----------|
| 1. Nick name for a silver 3 cent piece.                     | MITRE     |
| 2. Original name for 10 cent denomination.                  | EMDIS     |
| 3. Old name for a saw horse or a \$10 Bill.                 | UKWSBAC   |
| 4. A \$4 gold piece.  | LSEATL    |
| 5. First real person put on a US. Coin.                     | UMSCLOBU  |
| 6. First US. President on a coin.                           | CNIONLL   |
| 7. French General that helped America win its Independence. | ETETYFALA |
| 8. President shot at 1901 World's Fair in Buffalo, NY.      | KNYCMILE  |
| 9. Last Style of Liberty on Half Cent and Large Cent.       | ROOCTEN   |
| 10. Last Name of Scientist that found 100 uses for peanuts. | RRVAEC    |
| 11. Design on first Nickel 5 Cent Coin.                     | DLEIHS    |
| 12. Specially made Coin for Collectors.                     | OROFP     |

The answers can be found elsewhere in this newsletter. Good luck!

## Counterfeit Corner

**\$ 3 GOLD COINS  
1882 \$ 3 GOLD  
1882 OMEGA \$ 3 GOLD**

*Struck Copies*



**Pick Up Point**  
**General**  
**Appearance &**  
**Color. 'Omega**  
**Symbol'**

Frequency Encountered  
Very Common

Identification Difficulty  
Moderate

Value  
Moderate to high

It has been reported that there are more counterfeit 1882 \$3 gold coins than there are real ones. They are very common and as many as 80% of the pieces encountered are fake. The 'Omega' counterfeiter also forged this example and his signature can be found in the loop of the R in LIBERTY. Diagnostics include lack of detail in the reverse wreath leaves. On the obverse the lettering and date are fatter and wider than genuine examples and the lower portion of the 3 is also much wider and fatter. Be very careful of this coin if raw. All genuine specimens have a re-punched 2 in the date.

## Feature Article – Fiat Currency/Money Robie Cagle

In a fiat money system, money is not backed by a physical commodity (i.e.: gold). Instead, the only thing that gives the money value is its relative scarcity and the faith placed in it by the people that use it.

In a fiat monetary system, there is no restraint on the amount of money that can be created. This allows unlimited credit creation. Initially, a rapid growth in the availability of credit is often mistaken for economic growth, as spending and business profits grow and frequently there is a rapid growth in equity prices. In the long run, however, the economy tends to suffer much more by the following contraction than it gained from the expansion in credit.

In most cases, a fiat monetary system comes into existence as a result of excessive public debt. When the government is unable to repay all its debt in gold or silver, the temptation to remove physical backing rather than to default becomes irresistible. This was the case in 18th century France during the Law scheme, as well as in the 70s in the US, when Nixon removed the last link between the dollar and gold which is still in effect today.

Hyper-inflation is the terminal stage of any fiat currency. In hyper-inflation, money has lost most of its value practically overnight. Hyper-inflation is often the result of increasing regular inflation to the point where all confidence in money is lost. In a fiat monetary system where the value of money is based on confidence, once that confidence is gone, money becomes worthless. Gold has replaced every fiat currency for the past 3000 years.

Being concerned about unrestrained control of the money supply our Founding Fathers all agreed upon was the limitation on the issuance of money,

Thomas Jefferson warned of the damage that would be caused if the people assigned control of the money supply to the banking sector, "I believe that banking institutions are more dangerous to our liberties than standing armies. Already they have raised up a money aristocracy that has set the government at defiance. This issuing power should be taken from the banks and restored to the people to whom it properly belongs. If the American people ever allow private banks to control the issue of currency, first by inflation, then by deflation, the banks and corporations that will grow up around them will deprive the people of all property until their children will wake up homeless on the continent their fathers conquered. I hope we shall crush in its birth the aristocracy of the moneyed corporations which already dare to challenge our Government to a trial of strength and bid defiance to the laws of our country" Thomas Jefferson, 1791.

Many of the founding fathers experienced the damage caused by fiat currency. Most of the revolutionary war was financed by worthless currency called "Continentals".

The Continental Currency ("Not worth a Continental") that American colonists issued for the Continental Congress to finance the Revolutionary War was replaced by the US Dollar in 1785 when The Continental Congress adopted the dollar as the unit for national currency. At that time, private bank-note companies printed a variety of notes. After adoption of the Constitution in 1789, Congress chartered the First Bank of the United States and authorized it to issue paper bank notes to eliminate confusion and simplify trade. The U.S. Constitution (Section 10) forbids any state from making anything but gold or silver a legal tender. The Federal Monetary System was established in 1792 with the creation of the U.S. Mint in Philadelphia. The first American coins were struck in 1793. The U.S. Coinage Act of 1792, consistent with the Constitution, provided for a U.S. Mint, which stamped silver and gold coins. The importance of this Act cannot be stressed enough.

- One dollar was defined by statute as a specific weight of gold.
- The Act also invoked the death penalty for anyone found to be debasing money.
- President George Washington mentions the importance of the national currency backed by gold and silver throughout his initial term of office and he contributed his own silver for the initial coins minted.
- The purchase of The US Mint in Philadelphia, was the first money appropriated by Congress for a building to be used for a public purpose. It was purchased for a total of \$4,266.67 on July 18, 1792.

The first use of fiat money (called Greenbacks) in the United States was in 1862, it was used as a tool to pay for the enormous cost of the Civil War. Greenbacks were a debt of the U.S. government, redeemable in gold at a future unspecified date. They were circulated along with Gold certificates, backed by the government's promise to pay in gold.

The US dollar was hard pegged to gold resulting in domestic price stability and virtually no inflation. The financial needs of WW1 ended this.

In order to "pay" for WW1 countries had to print a lot of paper currency which by necessity mandated a delinking from gold because there wasn't enough gold to support the paper.

The gold exchange standard was established wherein each country pegged its currency to the US dollar and British pound which were then supposed to be backed by the dollar. When the depression began countries tried to cash in their pounds and dollars for gold. That "run" on gold forced the end of the gold exchange standard.

Fiat currencies reigned worldwide which led to huge economic imbalances from country to country and was of the major contributing factor to the beginning of WW2. **(CONTINUED IN PAGE #9)**



### Identify This Coin

Can you identify  
the coin pictured  
above?

Hint, this coin is in  
the 'Red Book.' Try  
and guess before  
you look it up.

Good Luck!

[Last month's coin  
was a 1814 bust half  
struck in platinum. It  
was punched with  
"P's" to denote such]

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### Spring ANA Report –

I just returned from Ft. Worth where I spent a few days attending the spring ANA convention. As the spring ANA is always smaller than the August convention there were still a large number of dealers in attendance. My perception was that the retail buying public is still much smaller than several years past but hopefully it will improve in 2010. January's FUN convention in Orlando I thought was better attended. Heritage's auction, although it contained some great coins was relatively lacking in major rarities and attention getters. Dealers with common material I believe will report poor to fair sales but those with top quality collector coins told me that they did well. Quality and rarity are king today and problem coins are a real problem to sell in this market.

Doug Nyholm



NORTHERN UTAH COIN SHOW  
April 2, 3, & 4  
2010  
ADMISSION \$3.00 - FAMILY \$5.00  
FREE TO COIN CLUB MEMBERS WITH CARD  
Marriot Hotel - 247 24<sup>th</sup> Street - Ogden Utah  
Hours Friday-Saturday 10A.M. to 7 P.M.  
Sunday 10 A.M. - 4 P.M.  
Buy, Sell & Trade  
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## E-mail

douglas.nyholm@comcast.net

*Your input,  
suggestions and  
written articles are  
always appreciated*



Comments, Suggestions,  
and articles should be  
submitted to:

douglas.nyholm@comcast  
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# Membership Form

## Application for membership in the Utah Numismatic Society / UNS

Name(s) of applicant(s) \_\_\_\_\_

Address: \_\_\_\_\_

Phone Number: \_\_\_\_\_ E-mail Address: \_\_\_\_\_

How would you like to receive the newsletter? [ ] Email / Preferred [ ] Postal Mail

Sponsor: \_\_\_\_\_

When & Where we meet –  
Columbus Community Center  
2531 South 400 East  
Salt Lake City, UT 84115

Second Tuesday of each month at 7:00 PM

### Annual Dues:

[ ] Family \$25    [ ] Adult (18 and older) \$15    [ ] Junior \$5

Individual Lifetime Memberships are \$250.00. There is no family Lifetime Membership

Conclusion of Feature Article -----

Beginning in 1963 New Federal Reserve notes with no promise to pay in "lawful money" were released. No guarantees, no value. This is also the year of the disappearance of the \$1 silver certificate. This was another subtle shift from a backed currency to a Fiat currency system.

By 1965 Silver was completely eliminated in all coins save the Kennedy half-dollar, which was reduced to 40 percent silver by President Lyndon Johnson's authorization. The Coinage Act of 1965 signed by Lyndon Johnson, terminates the original legislation signed by George Washington 173 years earlier (carrying the death penalty) enabling the US Treasury to eliminate the silver content of all currency.

On June 24, 1968 - President Johnson issued a proclamation that all Federal Reserve Silver Certificates were merely fiat legal tender and could not really be redeemed in silver.

In August of 1971 President Nixon ended the international gold standard and for the first time no currency in the world had a gold backing.

The Smithsonian Agreement of December 1971 was passed pegging world currencies to the dollar rather than gold as a fixed exchange rate.

The Basel Accord of 1973 established the current floating exchange of currency rates we are operating under today.

A good barometer of the size of a currency's leverage is the percentage of total Debt to GDP (Gross Domestic Product). As of 2004 that percentage (299%) is higher than the level the nation experienced during the depression era of the 1930's.

With this type of system firmly in place, the US is in serious trouble. With the current rate of deficit spending and printing of massive amounts of notes to compensate for out of control spending, with no national currency backed by anything solid, such as gold or silver, and if these measures are not curtailed or controlled soon, preferably by a return to a backed monetary system, we as a nation will experience a collapse unlike any we have ever seen in this nation.

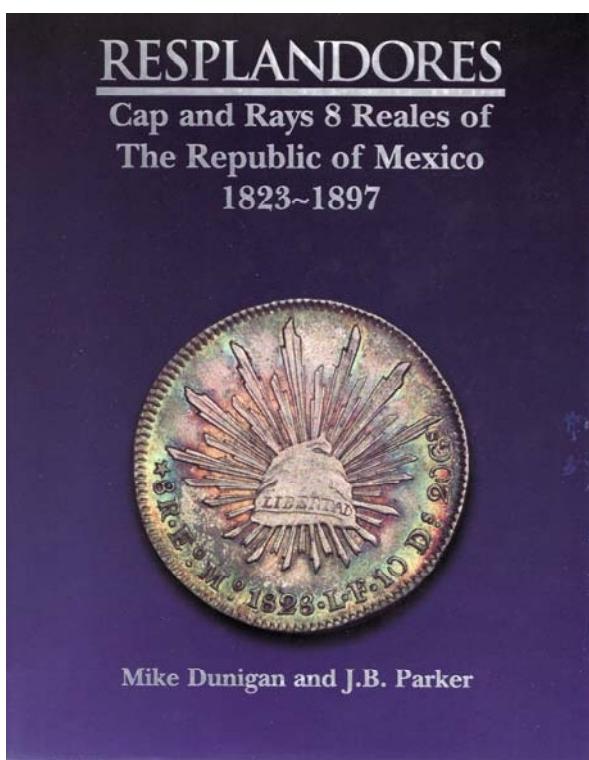
Having a backed currency system is the only way for we as a nation, to have the faith necessary to return our economic stability and protect our future.

ROBIE CAGLE

## The Back Page

I just realized that our newsletter is 9 pages long. This requires 5 sheets of paper and mailing costs are no more for 9 pages or 10. Those of you who receive the Mintmaster by mail do so in an envelope. Therefore we have an unused 'Backpage.' I would like to solicit any member who would like to utilize this page to submit anything on subject and appropriate to do so by getting the information to me at least two weeks prior to the UNS meeting. This can be an article, something newsworthy or a favorite picture of something they are looking for or have in their collection. This could also be used for 'Want Ad's' or maybe you have an idea.

This month I am going to begin with comments on a book entitled "**RESPLANDORES, Cap and Rays 8 Reales of The Republic of Mexico, 1823-1897.**" This book was discovered by Tom Jensen at the Ft. Worth ANA and both he and I purchased a copy. It was printed in 1997, definitely not a new book, but it has the most complete information regarding these coins available anywhere. Essentially the 8 Reales of Mexico circulated widely during their time on a worldwide scale which included the United States. They were minted at 14 different mints and according to the book more were minted than all the U.S. Silver dollars combined. They are very attractive coins, with a very colorful history, and widely collected. Each date, mint, and assayer are covered individually in this book as well as scarcity of each piece.



This book is not inexpensive but knowledge never comes cheap. It was \$135 including tax and still is available from the author.



### Mints Striking 8 Reales -

1. Alamos
2. Catorice
3. Chihuahua
4. Culiacan
5. Durango
6. Tlalpan
7. Guadalajara
8. Guadalupe y Calvo
9. Guanajuato
10. Hermosillo
11. Mexico City
12. Oaxaca
13. San Luis Potosi
14. Zacatecas

If this has piqued your interest I will bring my copy to the next UNS meeting for you to inspect. I plan to add a few of these beautiful coins to my collection.